



News from

Congressman Ron Kind

**REPRESENTING WISCONSIN'S THIRD
CONGRESSIONAL DISTRICT**

1406 Longworth House Office Building • Washington, D.C. 20515 • (202) 225-5506

FOR IMMEDIATE RELEASE
Wednesday, June 27, 2007

Contact: Anne Lupardus
Phone: 202-225-5506

Rep. Kind Column: Now is the Time to Modernize our Farm Safety Net

By: Congressman Ron Kind

This summer, Congress is working on reauthorizing the Farm Bill, which will cost American taxpayers nearly \$300 billion over the next five years. Despite its enormity, this bill has historically not gotten the attention it deserves, because many people do not realize that the Farm Bill reaches far beyond the farm. The policies included in this bill affect everyone.

Our current farm policies were written in the era of the Great Depression. Agriculture has changed a lot since then – modern-day farmers are just as familiar with an Excel spreadsheet as they are with a spreader. As a result, our out-of-date policies favor multi-million dollar commodity producers over family farms. I don't think that is right.

Over the last three years, just 10 percent of farmers collected 75 percent of all farm subsidies, amounting to tens of billions of dollars. What's more is that nearly 70 percent of all farmers do not collect government subsidy payments at all. And half of all crop subsidies are directed to 19 congressional districts in just a handful of states.

Equity in farm policy is not the only issue. Current policies are problematic for a number of reasons.

First, they distort the market. The current system supports a cycle where many farmers produce for the government paycheck, causing overproduction and depressed prices. Commodity payments also drive up land values and cause consolidation, as wealthier recipients use the subsidies to buy up surrounding family farms.

Second, they are not trade-compliant. The World Trade Organization has already ruled our cotton subsidies illegal – inviting retaliatory tariffs on agriculture and non-agriculture products. If we do not make some changes, the World Trade Organization will be writing our agriculture policies for us.

Finally, they don't meet our needs. We're funding a few large commodity producers at the expense of other programs like conservation. Right now, three out of four farmers that apply for voluntary conservation programs are turned away because of insufficient funding. Conservation programs benefit everyone, providing cleaner air, cleaner water, and enhanced habitat for wildlife in every state.

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We can do better. With billions of taxpayer dollars at stake, we can develop a more equitable system that benefits farmers and consumers in every region of the country and helps us meet our conservation, nutritional, energy, and trade challenges.

That is why I am, along with many of my colleagues in the House and Senate, proposing real reform that takes farm policy in a bold new direction. The Food and Agriculture Risk Management for the 21st Century Act (FARM 21) would reform our commodity programs to bring them into trade compliance, while providing an effective safety net for farmers and investing in our rural communities.

FARM 21 transitions current commodity programs to a safety net of farmer-held “risk management accounts” (RMAs). Under the proposal, commodity subsidies would continue over seven years, with an increasing portion of each year’s payment being directed specifically to the farmer’s RMA. This will build up the balances on the accounts, which will grow tax-free, for farmers to use later to weather the ups and downs of the market, purchase additional crop insurance, make investments, and plan for the future. Like an IRA, farmers could contribute their own money to the accounts as well and let it grow. RMAs would also act like a pension, giving farmers another source of income in retirement.

FARM 21 will realize tremendous savings – savings that we can then reinvest in rural America. The new safety net would save nearly \$20 billion over five years, money we can then put in conservation, rural development, renewable energy, and nutrition programs that will directly benefit more farmers and their communities in more regions of the country.

The time has never been better to reform our farm and food policies. Commodity prices are high, farm income is stable, and the debt-to-asset ratio in farm country is the lowest it has ever been. Plus, government mandates on biofuels have created a new market for our farmers’ products that seems to be here to stay, helping to maintain good market prices.

Representing western Wisconsin for ten years, I have talked to many farmers who say if they could just get a fair market price for their products, they wouldn’t need or want these government programs. That time has come, and now a broad and diverse set of interests are converging around our ideas for reform. From the conservation community, to fiscal conservatives, to nutrition advocates and rural development groups, the call for change is simply too loud to ignore.

This is our opportunity to reform our farm policies to benefit all Americans. I truly believe that if we do it right, this could be the great investment rural America has been waiting for.